GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2635
ANSWERED ON:17.03.2017
Banking Transaction Tax
Suresh Shri Doddaalahalli Kempegowda

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is earning more revenue from Banking Transaction Tax (BTT) than the revenue earned from the income tax, if so, the details thereof;

(b) whether the Government has any proposal to replace the Income Tax with BTT and if so, the details thereof;

(c) whether the Government has any estimates of the revenue collection for the financial year 2017-18; and

(d) if so, the details thereof along with the total collection of Income Tax for the year 2016-17?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) There is no tax by the name of Banking Transaction Tax (BTT) in the statute. However, a Banking Cash Transaction Tax (BCTT) was being levied at the rate of 0.1% on cash withdrawals from Banks exceeding specified limits. The levy of BCTT has since been withdrawn by Finance Act, 2008 with effect from 01.04.2009. The collection of BCTT over the years has been very insignificant as compared to collection of Income Tax.

(b) No Madam. There is no such proposal under consideration of the Government at present.

(c) The Budget Estimates (BE) for direct tax collection for the next financial year i.e. 2017-18 have been fixed at ?.9,80,000 crore. There are no estimates for Banking Cash Transaction Tax (BCTT) as the same has been abolished with effect from 01.04.2009. There is no tax by the name of Banking Transaction Tax (BTT) in the statute.

(d) The Budget Estimates (BE) for financial year 2017-18 for direct taxes comprises of ?.5,38,475 crore for Corporate Income Tax (CIT), ?.4,33,487 crore for Personal Income Tax (PIT) and ?.7,768 crore for Securities Transaction Tax (STT). The provisional total net direct tax collection in the current financial year i.e. 2016-17 up to 28.02.2017 is ?.6,17,551 crore.